GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:343
ANSWERED ON:25.02.2016
Financial Assistance to Handloom Industries
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Will the Minister of TEXTILES be pleased to state:

(a) the financial assistance provided by the Government to handloom industries in the interest of weavers during each of the last three years and the current year, State-wise;

(b) whether the Government provides yarn to the weavers under the Mill Gate Price Scheme(MGPS) being run in the interest of the weavers; and

(c) if so, the measures taken by the Government to strengthen this scheme and make it more effective?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE)
IN THE MINISTRY OF TEXTILES
(SHRI SANTOSH KUMAR GANGWAR)

(a): The details of fund released during the last three year (2012-13 to 2014-15) and the current year 2015-16 (upto 22nd February, 2016) is annexed. For many components, funds are released to Implementing Agencies directly.

(b) & (c) The erstwhile Mill Gate Price Scheme (MGPS) has been renamed as Yarn Supply Scheme (YSS) for implementation during the XII Plan period. The scheme is implementing throughout the country to make available all types of yarn at Mill Gate Price to the eligible handloom weavers so as to facilitate regular supply of basic raw materials to the handloom sector and help utilize the full employment potential of the sector. The scheme is being implemented through National Handloom Development Corporation, Lucknow. Under the scheme the freight is reimbursed and depot operating charges @2% is given to depot operating agencies. Quantity and Value of Yarn supplied under this scheme since XII plan (2012-13) is given in the following statement:

Year Qty. (In lakh kgs) Value (Rs. In lakh)
2012-13 1070.78 131856.32
2013-14 1262.09 178845.79
2014-15 1484.30 216077.51
2015-16 (upto Jan., 16) 1228.81 165325.48

Further, to provide the subsidized yarn only to handloom weavers in order to compete with powerloom and mill sector, a component of 10% price subsidy on hank yarn also exist under which 10% subsidy is applicable on Cotton, Domestic silk and woollen yarn with quantity limitation. Quantity and Value of Yarn supplied under this component of the scheme since XII plan (2012-13) is given in the following statement:

Year Qty. (In lakh kgs) Value (Rs. In lakh)
2012-13 125.00 27153.70
2013-14 222.79 69562.66
2014-15 286.34 102683.50
2015-16 (upto Jan., 16) 183.69 63178.01

NHDC has opened 10 yarn depots-cum-warehouses in 12th plan so as to ensure timely supplies to the users on cash basis, besides taking care of individual weavers who need yarn in small quantity. Location of these warehouses are Sitapur & Moradabad (UP), Guwahati (Assam), Samudragarh (West Bengal), Kannur (Kerala), Chirala & Karimnagar (Andhra Pradesh), Agartala (Tripura), Bhubneshwara (Odisha) and Ranchi/Godda (Jharkhand).

Since, the scheme is implemented through NHDC, Lucknow, no funds are released to State Governments. Funds are released in favour of NHDC to further pass it on to the beneficiaries. Financial Assistant released to NHDC under this scheme during last three year and current financial year is as under:

S.NO. Year Amount Released (Rs. In Crore)
1 2012-13 122.91
2 2013-14 96.86
3 2014-15 127.81
4 2015-16(upto 15.2.2016) 273.68